



*United States Attorney  
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE  
HERBERT HADAD, MEGAN GAFFNEY  
HEATHER TASKER, BRIDGET KELLY  
PUBLIC INFORMATION OFFICE  
(914) 993-1900, (212) 637-2600

IRS  
JOSEPH FOY  
(212) 436-1032

**WESTCHESTER PAIR THAT OWNED MORE THAN TWO DOZEN DUNKIN DONUTS  
FRANCHISES PLEAD GUILTY TO TAX EVASION AND BANK FRAUD CHARGES**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that CONSTANTINE GIANOPOULOS, a/k/a "Gus," and his brother, ANASTASIOS GIANOPOULOS, a/k/a "Tom," pled guilty today in White Plains federal court to tax fraud and other charges relating to their ownership of more than two dozen Dunkin Donuts franchises.

According to court records and their guilty pleas to felony Informations charging them, the GIANOPOULOS brothers owned and controlled a management company known as Food Management Group, LLC ("FMG"), formerly known as Food Management Services, Corp. ("FMS"). The Management companies operated between 28 and 35 Dunkin Donuts shops at various times, as well as the bakeries that supplied them, which were also owned by the GIANOPOULOS brothers.

According to the Informations filed today, the pair engaged in a scheme to evade both income and payroll taxes in connection with their operation of the donut shops by: (i) failing to file corporate and partnership tax returns for FMG and FMS; (ii) failing to file their personal tax returns, (iii) disguising the salaries of certain employees as nontaxable "expense reimbursements" and (iv) submitting false W-2 forms and payroll tax forms to the IRS. According to the Informations, the pair evaded more than \$1.5 million in payroll and income taxes and agreed as part of their plea agreements with the Government to make restitution in the full amount of the tax loss.

Both defendants also pleaded guilty to making false statements on a series of four loan applications to the Central Credit Union ("CCU"), a small, Queens-based, member-owned credit union. According to the Informations, the underwriting rules of the Credit Union limited to \$1 million the maximum permissible loan

to an individual. In order to circumvent this limitation, the GIANOPOULOS brothers caused four separate loan applications in the names of the defendants and other family members who acted as nominees to be submitted to the CCU during 2004. The applications requested a total of more than \$3 million in loans. The defendants admitted during their plea allocutions that the loan applications contained false statements relating to the employment status of the borrowers. The pair also admitted that they submitted to the CCU false corporate tax returns reflecting that restaurants owned by them were profitable, when in fact the true tax returns submitted to the IRS reflected a loss.

ANASTASIOS GIANOPOULOS also admitted to obstructing a pending lawsuit brought by a creditor against FMG. According to the Information, QuesTech Financial, LLC, made a series of secured commercial loans to various corporate entities controlled in part by ANASTASIOS GIANOPOULOS, largely for the benefit of the Dunkin Donuts Entities. After the borrowing entities defaulted on the loans, QuesTech sued FMG in federal court in White Plains demanding immediate possession of the security. During his plea allocution, ANASTASIOS GIANOPOULOS admitted that he lied under oath during a civil deposition taken on April 22, 2004, about the ownership of the security in order to prevent QuesTech from recovering the assets.

As a result of their guilty pleas, CONSTANTINE GIANOPOULOS, 38, and ANASTASIOS GIANOPOULOS, 41, both of North Salem, New York, each face a maximum sentence of 30 years in prison on the charge of making false statements to the credit union and 5 years in prison on the tax evasion charge. ANASTASIOS GIANOPOULOS also faces a maximum of 10 years in prison for the charge of obstruction of justice. As a result of their guilty pleas, which were both entered before United States Magistrate Judge MARK D. FOX, they also each face a maximum fine of \$1 million and imposition of the costs of prosecution. ANASTASIOS GIANOPOULOS sentencing is scheduled for February 14, 2006, at 9:00 A.M. before United States District Judge CHARLES L. BRIEANT. CONSTANTINE GIANOPOULOS is scheduled to be sentenced on February 23, 2006, by United States District Judge COLLEEN MCMAHON.

Mr. GARCIA praised the investigative efforts of the Internal Revenue Service Criminal Investigation and the Federal Bureau of Investigation in this case.

Assistant United States Attorney PERRY A. CARBONE is in charge of the prosecution.

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